



**Risk-Based Capital Ratio: Risk Weights at a Glance**

		Current NCUA Rule (since 2002)	2014 NCUA Proposal (10.5% Threshold)	Revised 2015 NCUA Proposal (10% Threshold)	FDIC (10% Threshold)	2015 NCUA Comparable to FDIC Risk Weight?
Category	Sub Category	Inferred Risk Weights <sup>1</sup>	Risk Weight	Risk Weight	Risk Weight	(Yes/No)
Numerator	<b>Equity</b> <i>(Includes Undivided Earnings, Regular Reserves, Appropriation for Non-conforming Investments, Other Reserves, Equity Acquired in Merger, Net Income, and Supplemental Capital authorized for Low-Income Designated Credit Unions)</i>	Net Worth	100%	100%	100%	Y
	<b>ALL</b>	<i>Capped at 1.5% of Loans</i>	<i>Capped at 1.25% of Risk Assets</i>	<i>No Cap</i>	<i>Capped at 1.25% of Risk Assets</i>	N
	<b>NCUSIF</b>	n/a	-100%	-100%	n/a	n/a
	<b>Goodwill</b>	n/a	-100%	-100% <sup>2</sup>	-100%	Y
	<b>Other intangible assets (excludes mortgage servicing assets)</b>	n/a	-100%	-100% <sup>2</sup>	-100%	Y
<sup>1</sup> For comparison purposes, the inferred risk weights are calculated in this column by dividing the current rule's capital charge by both the 10.5% well capitalized threshold (used in the original NCUA proposal) and the new 10% threshold used in NCUA's revised proposed rule. <sup>2</sup> Special handling for allowing goodwill and other intangibles related to supervisory mergers incurred prior to 2015; phase-out date 2025						
<b>Cash &amp; Deposits (10.5% / 10%)</b>						
Denominator	Cash, currency, coin	0% / 0%	0%	0%	0%	Y
	Cash on deposit on transaction account	29% / 30%	20%	n/a <sup>3</sup>	n/a <sup>3</sup>	n/a
	Cash items in process of collection	0% / 0%	20%	n/a <sup>3</sup>	20%	n/a
	Balances due from Federal Reserve Banks		20%	0%	0%	Y
	Insured deposits in U.S. federally insured depository inst.		20%	0%	0%	Y
	Uninsured deposits in U.S. federally insured depository inst.		20%	20%	20%	Y
	Cash equivalents ( <i>investments with maturities &lt; 3 months</i> )	29% / 30%	20%	n/a <sup>4</sup>	n/a <sup>4</sup>	n/a
	<sup>3</sup> The rule accounts for deposits as insured or uninsured for risk weight purposes <sup>4</sup> The rule captures cash equivalents as either an investment or deposit product and applies the risk weight treatment as applicable					
<b>Investments (10.5% / 10%)</b>						
Denominator	<i>OLD: Investments with maturity/WAL<sup>5</sup> &lt; 1 Year</i>	29% / 30%	20%	n/a	n/a	
	<i>OLD: Investments with maturity/WAL &gt; 1 Year and &lt; 3 Years</i>	57% / 60%	50%	n/a	n/a	
	<i>OLD: Investments with maturity/WAL &gt; 3 Year and &lt; 5 Years</i>	114% / 120%	75%	n/a	n/a	
	<i>OLD: Investments with maturity/WAL &gt; 5 Year and &lt; 10 Years</i>	114% / 120%	150%	n/a	n/a	
	<i>OLD: Investments with maturity/WAL &gt; 10 Years</i>	190% / 200%	200%	n/a	n/a	
	Corporate non-perpetual capital ( <i>Membership capital</i> )	57% / 60%	100%	100%	250%	N
	Corporate perpetual capital ( <i>Paid-In Capital</i> )	57% / 60%	200%	150%	250%	N
	Direct unconditional claims on U.S. government	WAL <sup>5</sup>	0%	0%	0%	Y
	Debt instruments issued by NCUA and FDIC	0%	0%	0%	0%	Y
	Central Liquidity Facility stock	57% / 60%	50%	0%	0%	Y
	Agency obligations	WAL	WAL	20%	20%	Y
	General obligation bonds issued by state or political sub.	WAL	WAL	20%	20%	Y
	FHLB stock	57% / 60%	50%	20%	20%	Y
	Investment funds holding only 0% - 20% risk weighted 703 permissible investments	WAL	WAL	20%	<sup>9</sup>	Y
	Agency and GSE MBS or ABS structured securities	WAL	WAL	20% <sup>6,7</sup>	20%	Y
	Revenue bonds issued by state or political sub.	WAL	WAL	50% <sup>7</sup>	50%	Y
	Non-agency residential MBS structured securities	WAL	WAL	50% <sup>7</sup>	<sup>8</sup>	Y
	Non-agency ABS structured securities	WAL	WAL	100% <sup>7</sup>	<sup>8</sup>	N
	Agency stripped MBS ( <i>interest only and principal only</i> )	WAL	WAL	100%	100%	Y
	Industrial development bonds	WAL	WAL	100%	100%	Y
	Value of general account permanent insurance	WAL	WAL	100%	100%	Y
	Mutual funds – Part 703 compliant	WAL	WAL	100% <sup>9</sup>	<sup>9</sup>	Y
	Separate account life insurance	WAL	WAL	300% <sup>9</sup>	<sup>9</sup>	Y
	Publicly traded equity investment ( <i>non CUSO</i> )	190% / 200%	200%	300%	300%	Y
	Fair value of mutual funds not compliant with Part 703	WAL	WAL	300% <sup>9</sup>	<sup>9</sup>	Y
	Non-publicly traded equity investment ( <i>non CUSO</i> )	190% / 200%	200%	400%	400%	Y
	Subordinated tranche of any investment	WAL	WAL	1,250% <sup>8</sup>	<sup>8</sup>	Y
	<sup>5</sup> Weighted Average Life (WAL) <sup>6</sup> Exclude interest only and principal only <sup>7</sup> Non-subordinated <sup>8</sup> FDIC is subject to Gross-Up or Simplified Supervisory Formula Approach, NCUA has option of using Gross-Up Approach for subordinated tranches <sup>9</sup> FDIC is subject to Look-Through Approach, NCUA has the option of using the Look-Through Approach					
<b>Loans (10.5% / 10%)</b>						
Denominator	Share-secured loans	n/a	75%	20%	n/a	n/a
	Government-guaranteed portion of loan balances	57% / 60%	20%	20%	20%	Y
	Current secured consumer loans	57% / 60%	75%	75%	100%	N
	Current unsecured consumer loans	57% / 60%	75%	100%	100%	Y
	Current non-federally insured student loans	57% / 60%	100%	100%	100%	Y
	Non-current consumer loans	57% / 60%	150%	150%	150%	Y



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<b>Loans Continued...</b>		(10.5% / 10%)				
	Multi-family statutory treatment for FDIC	MBL	MBL	Commercial	50%	N
	OLD: Current 1st lien real estate loans < 25% of assets	n/a <sup>10</sup>	50%	n/a	50%	
	OLD: Current 1st lien real estate loans > 25% - 35% of assets	n/a <sup>10</sup>	75%	n/a	50%	
	Current 1st lien residential real estate loans < 35% of assets	n/a <sup>10</sup>	n/a	50% <sup>11</sup>	50%	Y
	Current 1st lien residential real estate loans > 35% of assets	n/a <sup>10</sup>	100%	75% <sup>11</sup>	50%	N
	Non-current 1st lien residential real estate	n/a <sup>10</sup>	100% - 150% <sup>12</sup>	100%	100%	Y
	OLD: Current all junior real estate loans < 10% of assets	n/a <sup>10</sup>	100%	n/a	100%	
	OLD: Current all junior real estate loan > 10% - 20% of assets	n/a <sup>10</sup>	125%	n/a	100%	
	Current junior real estate loans < 20% of assets	n/a <sup>10</sup>	n/a	100% <sup>11</sup>	100%	Y
	Current junior real estate loans > 20% of assets	n/a <sup>10</sup>	150%	150% <sup>11</sup>	100%	N
	Non-current junior real estate loans	n/a <sup>10</sup>	100% - 150%	150%	100%	N
	OLD: Member business loans < 15% of assets	57% / 60%	100%	n/a	100% - 150% <sup>13</sup>	
	OLD: Member business loans > 15% - 25% of assets	76% / 80%	150%	n/a	100% - 150% <sup>13</sup>	
	OLD: Member business loans > 25% of assets	133% / 140%	200%	n/a	100% - 150% <sup>13</sup>	
	Current commercial loans < 50% of assets	n/a	n/a	100% <sup>14</sup>	100% - 150% <sup>13</sup>	Y
	Current commercial loans > 50% of assets	n/a	n/a	150% <sup>14</sup>	100% - 150% <sup>13</sup>	N
	Commercial loan balances secured by compensating balances	n/a	n/a	20%	n/a	n/a
	Non-current commercial loans	n/a	n/a	150%	150%	Y
<sup>10</sup> Current NCUA rule combines all long-term real estate loans and applies inferred risk weights of 57%/60% for concentrations below 25% of assets, and 133%/140% if over 25%.						
<sup>11</sup> Includes 1- to 4-family non-owner occupied real estate loans						
<sup>12</sup> Treated as junior lien and subject to concentration thresholds						
<sup>13</sup> FDIC identifies certain loans as High Volatility Commercial Real Estate (HVCRE) and assigns a 150% risk weight.						
<sup>14</sup> NCUA revised proposal excludes from commercial loans 1- to 4-family non-owner occupied first- or junior-lien real estate loans and excludes any loans secured by a vehicle generally manufactured for personal use						
<b>Other Assets</b>		(10.5% / 10%)				
	Loans to CUSOs (Unconsolidated only)	57% / 60%	100%	100%	100%	Y
	Investments in CUSOs (Unconsolidated only)	57% / 60%	250%	150%	100% - 600%	N
	Mortgage servicing assets (carry value)	57% / 60%	250%	250%	250%	Y
	All other assets	57% / 60%	100%	100%	100%	Y
	NCUSIF	n/a	-100%	-100%	n/a	n/a
	Goodwill	n/a	-100%	-100%	-100%	Y
<b>Off-Balance Sheet Items</b>						
Credit Conversion Factor (CCF) / Risk Weighted (RW):		CCF/(RW10.5%/10%)	CCF/RW	CCF/RW	CCF/RW	
	Commercial loans transferred with recourse	100%/(57% - 60%)	75%/100%	100%/100%	100%/100%	Y
	1st lien residential real estate loans transferred with recourse	100%/(57% - 60%)	75%/50%	100%/50%	100%/50%	Y
	Other real estate transferred with recourse	100%/(57% - 60%)	75%/100%	100%/100%	100%/100%	Y
	Non-federally guaranteed student loans transferred with recourse	100%/(57% - 60%)	75%/100%	100%/100%	n/a	n/a
	All other secured consumer loans transferred with recourse	100%/(57% - 60%)	75%/75%	100%/75%	100%/100%	N
	All other unsecured consumer loans transferred with recourse	100%/(57% - 60%)	75%/75%	100%/100%	100%/100%	Y
	(NCUA) Loans transferred to FHLB under the Mortgage Partnership Finance Program	n/a	n/a	20%/50%	n/a	n/a
	Unfunded commercial loan commitments	n/a	75%/100%	50%/100%	20%-50%/100% <sup>15</sup>	N
	Unfunded 1st lien residential real estate loan commitments	n/a	10%/75%	10%/50%	0%-50%/50% <sup>15</sup>	N
	Unfunded other real estate loan commitments	n/a	10%/75%	10%/100%	0%-50%/100% <sup>15</sup>	N
	Unfunded secured consumer loans	n/a	10%/75%	10%/75%	0%/100% <sup>15</sup>	N
	Unfunded unsecured consumer loans	n/a	10%/75%	10%/100%	0%/100% <sup>15</sup>	N
<sup>15</sup> FDIC - Credit Conversion Factor (CCF) is 0% if loan commitment is <u>unconditionally</u> cancellable. CCF is 20% if loan commitment is <u>conditionally</u> cancellable within 1 year and 50% if loan commitment is <u>conditionally</u> cancellable beyond 1 year.						

Denominator

This summary was prepared for general comparison purposes. Please read the rule text and preamble for more detail about each risk weight.